1	2	3
7.	Haryana	–
8.	Himachal Pradesh	1
9.	Jammu & Kashmir	–
10.	Kerala	9
11.	Karnataka	3
12.	Madhya Pradesh	10
13.	Maharashtra	2
14.	Meghalaya	2
15.	Manipur	10
16.	Mizoram	3
17.	Nagaland	–
18.	Orissa	17
19.	Pondicherry	–
20.	Punjab	–
21.	Rajasthan	2
22.	Sikkim	–
23.	Tamil Nadu	13
24.	Uttar Pradesh	15
25.	Tripura	9
26.	West Bengal	3
	Total	188

[Translation]

National Textiles Corporation

*387. SHRIMATI BHAVNA BEN DEVRAJ CHIKHALIA :
SHRIMATI SHEELA GAUTAM :

Will the Minister of TEXTILES be pleased to state :

(a) whether the working of textile mills running under National Textile Corporation has improved due to the participation of the workers in management;

(b) if so, the number of such mills in which the workers have participation in management;

(c) whether the Government propose to introduce participation of workers in the all mills of National Textile Corporation;

(d) whether there is any representation of workers at the level of Board of Directors in the National Textile Corporation;

(e) if so, the details thereof; and

(f) if not, the reasons therefor ?

THE MINISTER OF TEXTILES (SHRI R.L. JALAPPA) : (a) to (c) Presently Workers participation in management has been effected in 84 out of 120 mills of NTC. Efforts are on to cover the remaining mills, where the progress is slow on account of multiplicity of trade unions and inter-union and intra-union rivalrise, The work culture and industrial relations have improved on account of workers' participation which has had a positive impact on the working of the mills. However, on account of factors like obsolete machinery, severe working capital crunch, etc. these mills have not been able to improve their overall performance.

(d) to (f) The Board of Directors of NTC and its subsidiaries are constituted as per the Articles of Association and the guidelines issued by the Government. Out of the 9 subsidiary corporations of NTC, NTC (BAB&O) Ltd. has on its Board of Directors a trade Union leader nominated by the Government of West Bengal.

[English]

Regional Rural Banks

*388. SHRI MULLAPPALLY RAMACHANDRAN :
SHRI K. PRADHANI :

Will the Minister of FINANCE be pleased to state :

(a) the details of Regional Rural Banks that are running at profit and also those which are running at loss during the last three years, till date; and

(b) the steps being taken to make Regional Rural Banks effective and profitable ?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) As reported by National Bank for Agriculture & Rural Development (NABARD), the details of Regional Rural Banks (RRBs) which are running in profit and those running in loss during the last three years are as follows :-

(Rs. in lakhs)

Year	Number of RRBs in profit	Profit during the year	Number of RRBs in loss	Loss duringh the year
1993-94	23	2190.79	173	38886.31
1994-95	32	2895.82	164	42321.37
1995-96	44	4238.25	152	46796.56 Data provisional

(b) The RRBs are incurring losses, inter-alia, due to narrow spread, restriction on choice of clientele and area of operation, low business volumes relative to branch network, poor recoveries and high establishment costs. A number of steps have been taken to bring an improvement in the performance of the RRBs and make them-viable. These include, inter-alia, the following :-

(i) Select RRBs have been given substantial equity support to cleanse the balance sheets. These RRBs have been selected on the basis of financial, recovery, growth and productivity parameters. A sum of Rs. 374 crores has been provided by the Government for equity support to 102 RRBs upto March 1996. During the current year, against an available budgetary allocation of Rs. 200 crores, an amount of Rs. 125 crores stands released for equity support to 15 more RRBs besides giving additional equity support to some of the RRBs already covered. The balance amount of Rs. 75 crores is likely to be released during the current year itself. Further, a provision of about Rs. 270 crores has been made for this purpose for the year 1997-98.

(ii) Bank-Specific Development Action Plans (DAPs) have been prepared for bringing improvement in the performance of the RRBs in a specified time from of three to five years. Subsequent to the prepara of DAPs RRBs have entered into Memoranda of Understanding (MOUs) with their sponsor banks clearly specifying the performance obligations/commitments on their part. As at the end of December 1995, out of 196 RRBs, 192 RRBs have prepared DAPs and signed MOUs with their sponsor banks. As a part of DAPs, RRBs are required, inter-alia, to focus special attention on recovery strategies.

(iii) Prudential accounting norms of income recognition and asset classification have been made applicable to RRBs in 1995-96 and provisioning norms have been made applicable from 1996-97.

(iv) RRBs have been allowed better investment avenues such as fixed deposits in profit making term lending financial institutions, bonds of public sector institutions and non-convertible debentures of reputed blue chip companies. Besides, the RRBs have been permitted by RBI to deploy a part of their surplus non-SLR funds in the credit portfolio of their sponsor banks through non-risk sharing participation certificates to be issued by the latter.

(v) With a view to widening the range and scope of services, the RRBs have been allowed, with effect from 1.1.1994, to finance non-target group to the extent of 60% of their fresh lending.

(vi) Seventy RRBs with disbursement of less then Rs. 2 crores during 1992-93 have been relieved of the service area obligations.

(vii) RRBs have been allowed to relocate their loss making branches to relatively better locations within the service area.

(viii) With effect from 26-08-1996, the Reserve Bank of India (RBI) has deregulated the interest rates that can be charged to the ultimate borrowers by the Regional Rural Banks.

Investment in Infrastructure sector

*389. SHRI N.K. PREMCHANDRAN : Will the Minister of FINANCE be pleased to state :

(a) the stipulation laid down by the Government to attract substantial investment in the infrastructure sector;

(b) the present position in the infrastructure sector; and

(c) further steps being taken to attract more investment in this sector ?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) The Government has taken a number of initiatives in order to attract investment in the infrastructure sector. A 5-year tax holiday for companies developing, maintaining and operating infrastructure facilities such as roads, bridges, new airport, ports and railway projects, has been extended to cover water supply sanitation and sewerage projects and telecommunications. The provisions relating to foreign investment have been further liberalised to given automatic approval for foreign equity participation up to 74 per cent in key infrastructure sectors such as electricity generation and transmission, non-conventional energy generation and distribution and construction and maintenance of roads, bridges, railbeds, ports, runways, pipelines and harbours. The automatic approval list for foreign equity upto 51 per cent has been expanded to include support services for land and water transport.

(b) The present position of the infrastructure sector is not satisfactory. Six industries namely, electricity generation, coal, steel, crude oil, petroleum product and cement with a combined weight of 28.8 per cent in the